POST-SHOW REVIEW OF THE 75TH ANNIVERSARY GATHERING

At the ASPS Industry Forum session, which was moderated by the *Aesthetic Buyers Guide* editor Michael Moretti, Allergan Medical's president Robert Grant said his vision for the future of Allergan as well as the medical aesthetic industry at large is to expand the market. "Driving scientific discovery is a way of overcoming the challenge of reaching the unserved 97% of this market. We're building trust through evidence based claims," he stated.

Creating an enhanced total patient experience is Allergan's underlying objective. Allergan will begin using new taglines to convey its message. "Science of rejuvenation" and "science before commercialization" head this list. Also, in order to both predict and create new trends, Allergan will implement the watchwords demystify and destigmatize, specifically in reference to breast implant products.

Allergan continues to position itself judiciously with improved product lines. Its new Juvéderm facial filler brand is ready to be launched in January 2007. This product introduction is the result of very selective clinical studies conducted with designated physicians. Allergan is listening more closely to its physician customers and consumers, alike. Mr. Grant assured the audience that Allergan can also succeed in making its

2006 ASPS

The recent *American Society of Plastic Surgery's* (ASPS), 75th anniversary annual meeting in San Francisco, Calif. brought together some of the most talented plastic surgeons from around the world, including Nobel Laureate Joseph Murray, M.D., and other pioneers of the medical discipline itself. In its illustrious history, this year's event was one of the better attended, action packed and lively. Noteworthy was the lineup of world-class presentations by physicians, research scientists and leaders of dynamic global aesthetic oriented companies. Each showcased innovative services, cutting edge technologies and an increasingly wider-range of improved products.

products more mainstream in the general population by focusing on building trust through education and marketing innovation.

The fastest growing division of Allergan Medical today is its LAPBAND® and related obesity devices. Obesity rates have been rising steadily for years in the U.S. Gastric bypass procedures have been growing steadily at 11% to 12% per year. At the same time, an increase of 42% in LAPBAND operations was noted.

Mr. Grant noted, "Allergan can boast a long heritage of building trust through credibility throughout its history. We want to continue that legacy." He also

emphasized the importance of manufacturers playing a leadership role in catalyzing the establishment of high standards for ethics throughout the industry.

Robert Grant
President
Allergan Medical
Irvine, CA

Like its counterparts at Allergan, Mentor Corporation is one of the most established players in the medical aesthetics domain and both are advancing through significant transitions. At the Forum, Josh Levine, CEO of Mentor Corporation, described his firm as one of the largest and oldest players in two of the most lucrative spheres of the aesthetic market. These comprise the breast and liposuction sectors, as well as representing both surgical and non-surgical domains. He offered the audience his insights into Mentor's future strategy as it progresses through one of its most challenging phases of its long history.

Josh Levine
CEO
Mentor Corporation
Santa Barbara, CA

Mr. Levine indicated that 2006 marks Mentor's final exit from the urology business. On the bright side, Mentor has some $538 million in cash and marketable securities to cushion it from any unforeseen setbacks as it progresses. Moving forward, all of Mentor's energy and resources will be earmarked for the aesthetic space. Mentor's objective is to increase its footprint in both surgical and non-surgical arenas. Mr. Levine reminded the audience that liposuction is often observed as overlapping with the aesthetic market; many times, such procedures go hand in hand. A case in point is the mastectomy, requiring both reconstruction and plastic surgery. He conveyed confidence that Mentor will be able to return to the silicone based breast market next year, pending FDA approval.

Hani Zeini, an industry analyst and previous executive vice president for facial aesthetics at Inamed (now an Allergan division) put forth an analogy of the aesthetics industry in the language of a biologist.

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According to Mr. Zeini, aesthetics represents an ecosystem with symbiotic relationships among its interdependent players. He explained that, "patients are in the driver's seat, but plastic surgeons are at the top of the food chain."

Mr. Zeini demonstrated today's mega trends in the aesthetics business with some statistics. He portrayed the U.S. as a nation in the midst of rapid evolution. Its population has just surpassed 300 million, and the 100 richest people in the world, for the first time, comprise only some of the billionaires that live here. He suggested that there are clearly many potential patients

who can afford treatments out there. If one agrees with Mr. Grant's idea of expanding the market, plastic surgeons can truly begin to appreciate the amount of business they can find. Moreover, with only 6,000 plastic surgeons in the U.S., this acknowledgement is placed into still sharper perspective.

Mr. Zeini hints that this is a field ready to take off, and with far more solid fundamentals than most technology companies have now. The majority of procedures bring physicians cash on the table instead of insurance concerns and delays. Last year, the aesthetics industry grew at a robust rate with a breathtaking 22 consecutive quarters of profitable earnings behind it.

In the face of such prosperity, will this opportunity be equally available to all professionals throughout the industry? Mr. Zeini discussed the growing concern among plastic surgeons that physician extenders as well as dermatologists could be vying with them for the same business. He asked, "Is there enough business for everyone? Only those professionals who prepare to genuinely tailor their practices to best deliver what their clients desire will thrive in this new age of dramatic socioeconomic and technological change."

Hani Zeini
Industry Analyst

"Striving toward continuous improvement within the context of evidence based outcomes, plastic surgeons should set their sights on continually enhancing clients' total experience in every visit to the clinic." Mr. Zeini compared Virgin Atlantic Airlines' customer experience with his own industry. He portrayed Virgin as an exemplar in the airline industry. If a single company can redefine the standards for customer service throughout its entire industry, plastic surgeons can do so in theirs as well.

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Prevention, maintenance and holistic care for each patient are paramount, according to Mr. Zeini. He emphasized the need to focus on before care just as much as any single procedure a patient undergoes in the surgeon's care. Physicians must focus on packaging perceived value. To reflect that attitude, they need to focus more on the price of their services, not simply on their profit. Likewise, non-physician aesthetic professionals will have to redefine themselves in a similar light. The full spectrum of the patient's care should be addressed proactively, not just fixing wrinkles.

According to Mr. Zeini, the medispa phenomenon should not necessarily represent a real threat to established physicians. He does concede that closer regulations of these spas will be needed. However, these

facilities are undeniably becoming more popular today. The trend towards an ever-broadening range of aesthetic treatments is relentless. Aesthetic surgeons need to capture more repeat business by continually offering new services to keep patients satisfied — perhaps in ways their non-physician counterparts cannot.

Peter Bye, a Wall Street analyst at Wachovia Securities, fleshed out the financial side of the aesthetics market. For the sector as a whole, he predicted a 14 % to 16% growth rate through the end of this decade, compared to only 6% for the broader market. Reimbursement risk for physicians isn't an issue. Mr. Bye portrayed medical aesthetics as a very fragmented market, without any one firm claiming more than 20% of the industry's total value. A healthy indicator for the sector is that most aesthetics firms are "awash with cash," said Mr. Bye. Although consolidation has barely begun, he expects an accelerated trend in that direction. Allergan's Inamed acquisition was a timely example.

Chris Inglefield, M.D.
Plastic Surgeon
Private Practice
London, England

Some emerging aesthetic technologies were showcased at the Hot Topics session. UltraShape (Tel Aviv, Israel) stood out among them. The company is a start-up that pioneered a revolutionary method of body contouring with a solid track record in the field. Chris Inglefield, M.D. presented focused ultrasound wave technology, which he uses in his own successful UK based practice. It is the first and only truly non-invasive procedure of its kind to prove it can reduce localized fat in parts of the body. With UltraShape's Contour I, waistline reduction can be quantitatively measured and demonstrated to the patient, which is unique in the field of medical aesthetics. "It's not intended as a substitute for liposuction, however," Dr. Inglefield warned. He pointed out that it was not designed for obese patients.

Clinical research has been performed using the UltraShape technology for many years in Israel, U.S., UK and Japan. Currently, it enjoys a healthy following in a total of 37 nations outside the U.S. In Europe, it was awarded its CE mark in July 2005. Roughly 15,000 procedures have been conducted outside the U.S. to date.

Dr. Inglefield presented his 12 month clinical experience on 104 patients without a single failure or complication. Approximately 93% of patients were pleased with the results after only three sessions. "Patient satisfaction results like these are extremely rare when discussing any non-invasive procedure," says UltraShape's North American president, Bob Gerberich. Most importantly, "they underscore the enormous commercial potential of this emerging technology," he added. He noted that with its focus on adipose tissue, they don't claim it can conquer the problem of unsightly cellulite, increasingly prevalent in most cultures.

Ultrashape has received a great deal of positive feedback from visitors on the tradeshow floor. According to Mr. Gerberich, "the vast majority of visitors to our booth said UltraShape has the most impressive new technology at the show." UltraShape's tracking and

guidance system at the heart of its sophisticated G-NIUS™ technology make the application revolutionary. It was developed expressly for adipose reduction, with the highest standards of safety in mind. No other firm has developed such a sophisticated algorithm based tracking system.

In the context of the most exacting safety precautions, its software algorithms have been designed to zero in on fat cells (adipocytes) without harming surrounding tissue, Mr. Gerberich explained. "It can't deliver energy outside the designated treatment area," he emphasized. The algorithm allows only pre-selected areas to be treated, and none more than once in the same session. According to Mr. Gerberich, the Contour I is safe and easy to operate once it has been calibrated and the appropriate area of the body marked. In fact, in a number of countries outside the U.S., non-physicians typically perform this procedure under supervision.

The medical application of ultrasound in healthcare isn't new by any means. It has been employed in a number of non-surgical systems for years. Today, with it's proven potential to better the lives of countless people, it is poised to simultaneously benefit the practices of plastic surgeons and physicians just entering the field of aesthetics, as well.

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On the evening of October 8th, BioForm's Radiesse™ was the topic of discussion. Steve Basta, CEO, (San Mateo, Calif.), Larry Bass, M.D. and Dave Funt, M.D. (Woodmere, N.Y.) presented empirical findings in studies based on their own professional experience working with their patients. In the course of their discussions, they demonstrated some of the finer points of their application techniques. Competitors' products are still often selected for certain areas, such as Botox for the upper third of the face.

Steve Basta
CEO
BioForm Medical
San Mateo, CA

The presenters emphasized that, in addition to its robust filling properties, Radiesse has been shown to stimulate collagen production in the patient's own body. In a range of ethnic populations, representing largely Hispanics, African Americans and Asians, an increase of 65% in usage was recently observed.

Radiesse has chalked up rave reviews since its release in 2004, and its track record isn't wavering. On the contrary, in the medical aesthetics community, it seems that increasingly more doctors may be jumping on the bandwagon. "Not since the early days of collagen, of which I was one of the early clinical investigators, has a drug commanded so much attention in the plastic surgery community," said Robert A. Harvey,

M.D., chairman, department of surgery at Saint Francis Memorial Hospital in San Francisco, Calif. With his vast experience injecting collagen over the past two decades — and more recently Restylane — he has been very impressed with the results of his Radiesse injections.

The General and Plastic Surgery Devices Panel at the FDA endorsed Radiesse on Aug 24, 2006, for two clearances, and more are anticipated for moderate-to-severe facial wrinkles, maxillofacial augmentation and folds.

It wasn't hard to see why Radiesse has become so popular among plastic surgeons recently. Their respective before and after slides of procedures clearly displayed solid results. Patients of either sex (typically 90% female versus 10% male) showed significant improvements in study after study.

Laser based technologies continue to develop at a healthy pace. Reliant Technologies introduced the SR1500 enhancements to improve their value propositions for clients. Its handpiece is half the weight and size of its predecessor. Most importantly, its power and precision have been greatly improved, as well. According to Brad Hauser, Reliant's group manager for product marketing, its trademark blue face paint has a significant advantage over systems using no paint, since it was designed to provide optimal contrast within its optical tracking system.

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Barry DiBernardo, M.D., FACS
New Jersey Plastic Surgery
Montclair, NJ

In an evening event hosted at the *California Academy of Sciences*, board certified plastic surgeon Barry DiBernardo, M.D. (Montclair, N.J.) deftly walked the audience through a focused presentation of Cutera's latest technology. Dubbed three-dimensional (3D), it heralds a new chapter in its own well-established history.

Cutera's Xeos LimeLight™ was the star of the event. Launched the week of the show, it is the first skin treatment laser with a 3D system. Debuting with a novel form of variable IPL settings, it features programmable wavelengths offering treatments at three skin levels. A patient can receive beneficial effects at one or more of these three discrete skin levels during a single appointment with minimal downtime. Definite skin texture and tone improvements were observed in slides of several patients. Limelight's novel features may have left this audience with lasting impressions. ■